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Joseph DeLosa
Public Service Commission
Suite 100 861 Silver Lake Blvd.
Dover, DE 19904

September 19, 2017
By electronic mail only Cannon Building,

Re: Reg. Dckt. No. 56, IN THE MATTER OF THE ADOPTION OF RULES |AND PROCEDURES TO IMPLEMENT THE |RENEWABLE ENERGY PORTFOLIO STANDARDS |ACT, 26 DEL. C. §§ 351-363, AS APPLIED TO RETAIL ELECTRICITY SUPPLIERS (OPENED AUGUST 23, 2005; REOPENED SEPTEMBER 4, 2007; AUGUST 5, 2008; SEPTEMBER 22, 2009; AUGUST 17, 2010; SEPTEMBER 6, 2011; SEPTEMBER 18, 2012; FEBRUARY 2, 2017) PSC NOPR, 21 DE Reg. 205 (Sept. 1, 2017)

Dear Mr. DeLosa:

Pursuant to the public notice posted in the September 1, 2017 Register of Regulations (21 DE Reg. 205), and PSC Order No. 9090 (July 25, 2017), I am hereby submitting the attached set of comments for consideration in the above-captioned PSC rule-making proceeding.

The latest round of proposed rules continues to exclude the Qualified Fuel Cell Project (QFCP) from the Renewable Portfolio Standard Cost Cap Calculation. A Delmarva Power electric customer could see an estimate of the likely future Renewable Portfolio Standard compliance cost on their electric bill in the 2012, 2014, and 2016 Delmarva Power Integrated Resource Plan (IRP), in the Renewable Portfolio Standard (RPS) section, Tables 8, 9, and 10. For example Table 9 of the 2014 IRP states it “presents the projected cost to comply with the total RPS requirements”. Table 9 shows the number and source of Solar Renewable Energy Credits and Renewable Energy Credits, and Table 10 shows the monthly cost for a residential customer, the forecasted Total Retail Cost of Electricity, and the forecasted percentage of the cost of compliance on the bill. In each IRP the cost of the QFCP is included. At no time did the Department of Natural Resources & Environmental Control (DNREC), or the Public Service Commission (PSC) Staff object to the inclusion of the QFCP cost or the percentage calculation. In the 2012 IRP percentages estimates ran from a low of 5.24% for the 2013/14 Compliance Year to a high of 7.88% in the 2022/23 Compliance Year, and 5.58% in the 2015/16 Compliance Year.

The same Delmarva Power customer, thanks to PSC Docket 13-250 Electric Bill Transparency, can see the RPS Compliance Cost on their electric bill and do their own calculation of the percentage increase on their bills which runs in the same range as the IRP forecast. They see the QFCP on the bill under the RPS Compliance Cost section of the bill. Both DNREC and the PSC Staff participated in the docket, and neither objected to the way costs are shown on the bill.

Annually Delmarva Power submits to the PSC a calculation of the RPS Compliance Cost along with an estimate of the Total Retail Cost of Electricity so the Cost Cap Calculation can be made pursuant to 7 Del Admin. Code 104: Regulations Governing the Implementation of the Renewable Portfolio Standard Cost Cap Provision. That submission includes the QFCP cost. Again a Delmarva Power electric customer could view the document and calculate the percentage cost including the QFCP cost. For the 2015/16 Compliance Year the percentage was 9.44%. Again, neither DNREC, nor the PSC Staff has ever objected to the report showing the QFCP cost.



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In 2012 DNREC began to promulgate rules interpreting the RPS Cost Cap provisions. In the first three iterations they included the QFCP cost. In the final rule QFCP costs were dropped, and the PSC Staff, along with the DPA and CRI, objected claiming the cost should be included. Only now that the PSC Staff is writing the Cost Cap rules have the Staff dropped the QFCP cost from the calculation.

The Commission regularly has to determine whether utility proposals meet the standard of “just and reasonable”. Electric customers have a reasonable expectation that what they see in the IRP, their electric bills, and the Delmarva Power annual compliance report, is what will be used to calculate whether the RPS Cost Cap has been exceeded. The proposed PSC Staff rule is simply not just or reasonable, and needs to be changed to include the QFCP cost.

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